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OFFICE OF THE SECRETARY

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**BILL:** **House Bill 1205**  
State Government – Information Technology and Cybersecurity –  
Related Infrastructure

**COMMITTEE:** Senate Budget and Taxation

**DATE:** March 29, 2022

**POSITION:** **Letter of Concern**

Upon review of House Bill 1205, the Maryland Department of General Services (DGS) provides these comments for your consideration. DGS concerns are to both the original House bill and the amended House bill before you today.

The bills' iterations significantly alters the State's regulatory framework related to cybersecurity and information technology. The most prominent being that the Department of Information Technology (DoIT) would become a primary procurement unit and procurement authority for all information technology would transfer from the DGS Office of State Procurement (OSP) to DoIT. These actions directly counter 2017 legislation that reformed Maryland procurement along with numerous studies and reports including the 2013 The Procurement Improvement Report completed by Treya Partners for the Maryland Board of Public Works, the 2014 Department of Legislative Services Review of Maryland's Procurement Policies and Structures, the General Assembly's 2015 One Maryland Blue Ribbon Commission created by Chapter 191, Acts of 2015, and the 2016 Report of the Commission to Modernize State Procurement.

Per Chapter 590, 2017 Maryland Laws (HB 1021), effective October 1, 2017, Maryland state procurement was centralized under DGS OSP and provided for the creation of the Chief Procurement Officer (CPO). The CPO leads the office by providing the most effective and efficient allocation of goods and services for Maryland. Since full implementation of Chapter 590 on October 1, 2019, **the OSP continues to provide:**

- **consistency** in interpretation of procurement statutes and regulations;
- implementation of **standardized policies, procedures, and best practices**; and
- **delivery of resources** to all procurement offices throughout the State.

House Bill 1205 will undo **more than four years of preparation and implementation** of the recommendations from the Commission to Modernize State Procurement which included **"Consolidate the procurement functions of State agencies"**, resulting in the reallocation of State resources and the expenditure of significant State funds.



The Modernization initiative resulted in many hours of planning, policy and procedure development, realignment of Agency staff, and a number of other process improvement initiatives. House Bill 1205 will revert the work previously completed to be amended to address the bill's change as well as to be recreated at DoIT. This would result in a **significant and unnecessary expenditure of state funds, a waste of the capital** used to implement the initiative, and the **elimination of the many efficiencies created. Among other initiatives, the bill before you today will:**

- **designate DoIT as a primary procurement unit;**
- **exempt procurements by DoIT below \$1 million from BPW approval, and thus**
- **result in the elimination of any procurement oversight previously in place;**

While DoIT possess IT and cybersecurity expertise, DGS OSP is the State expert in procurement. To effectively provide for the public welfare **each entity ought to focus on their own area of proficiency. The DGS Office of State Procurement should retain the centralized procurement authority for the State** and continue to coordinate with DoIT to procure the necessary goods and services to carry out their agency mission.

For additional information, contact Ellen Robertson at 410-260-2908.